

The proposals of the ministry were submitted to the Parliament of both countries on May 14, 1892, and were made law throughout the Empire on August 1st. The crown (*kronen*) was made the monetary unit upon the basis of cutting a kilogram of fine gold into 3280 crowns, and a kilogram nine-tenths fine into 2952 crowns. The value of the new coin in United States money is 20.3 cents or about one-twentieth more than the French franc. The crown was divided into 100 heller, and gold pieces of ten and twenty crowns were ordered to be coined. Austrian ducats were still authorized to be coined as money of commerce, but the coinage of pieces of four and eight florins under the terms of the treaty with France was discontinued. Silver pieces were provided for of one crown (\$0.203) and of fifty heller (\$0.1015) and nickel and bronze pieces of smaller denominations. The silver pieces were to contain only 835 parts silver in 1000 parts, making them substantially token coins, and their legal tender quality was limited to fifty crowns

(\$10).

The government decided to convert the paper money at the rate of one florin for two crowns. This was the rate which was under discussion by the commission, and while it adhered pretty closely to the current rate of exchange it involved a reduction of the nominal value of the paper in gold about sixteen per cent.<sup>2</sup> It had been urged by several members of the commission that it was desirable to convert foreign obligations upon the basis of parity in gold, in order to maintain the public credit, even if it were more just to convert the money of domestic circulation at the rates which had ruled for a dozen years.<sup>3</sup> The problem of conversion was complicated by the fact that the Austrian metallic standard, so far as there had been any, had been silver rather

<sup>1</sup>Ordinance of August 8, 1892, *Bulletin de Statistique*, Sept., 1892,, XXXII., 318-22.

<sup>2</sup>Two crowns being worth 40.6 cents, their even exchange for one florin, nominally worth 48.2 cents, left a reduction of 7.6 cents in the value of the florin, which is about 16 per cent.

<sup>3</sup>Haffalovich, *LeMarM Financier en 1892*, 96.